INFORMATION LETTER

Not for Publication — NATIONAL CANNERS ASSOCIATION — For Members Only

No. 1561 — Washington, D. C. — November 5, 1955

Canners Elected by QM Assn.

Fred C. Heinz, 1952 President of the N.C.A., was elected president of the Quartermaster Association, and John Shafer, assistant general sales manager of the Hawaiian Pineapple Company, was elected a vice president at the association's annual convention in Chicago October 27-28.

The canning industry thus is represented by two officials on the QM Association's 15-member National Executive Committee.

The Quartermaster Association is composed of officers of the Army, National Guard, organized reserve, government officials, and industry representatives. Its national headquarters

(Please turn to page 340)

Canner Meetings Set Stage for Canned Foods Publicity

Three public appearances this week by Executive Secretary Carlos Campbell enabled the N.C.A. to publicize again the fact that canned foods will withstand an atomic explosion and still be wholesome and safe to eat.

Mr. Campbell was a principal speaker at the annual convention of the Iowa-Nebraska Canners Association in Des Moines October 31; was the luncheon speaker at the Rotary meeting in Marshalltown, Iowa, November 1; and gave a similar report at the fall meeting of the Illinois Canners Association in Chicago November 3.

Mr. Campbell presented the N.C.A.'s colored slides illustrating and describing the civil defense test of canned foods in Nevada last spring. In connection with his appearances, the N.C.A. Information Division issued press releases and radio releases reporting on the extent to which tin and glass-packed foods survived the explosion.

The press releases began:

"If an atomic bomb strikes your community, it's likely that the canned foods on your kitchen shelves would still be safe to eat.

"And the extra supplies of canned foods that you keep in your basement

(Please turn to page 340)

ABC's of Canned Foods, Major C.&T.R. Project, Is Issued; Book Furnishes Information for Food Editors and Writers

The ABC's of Canned Foods, a comparative reference book, one of the major projects of the current N.C.A. Consumer and Trade Relations program on which work has been in progress for more than a year, has just come off the press. Leatherette cover copies were mailed this week to N.C.A. members, state secretaries, and canning industry trade journals. A special mailing of nearly 700 hard-back volumes was made a week ago to an initial list of food editors and authorities for whom the volume was specifically prepared.

This list covers as nearly as possible every food field specialist who writes, broadcasts, demonstrates or otherwise communicates with this country's consumers. The individual categories of food specialists covered include national women's service magazines, national general interest magazines, farm and special interest magazines, Sunday magazines, national press syndicates, metropolitan daily newspapers, television, radio, food company home economists, advertising agency home economists, food consultants, state and federal agriculture extension specialists, and cookbook authors.

The reading and listening audience of this group receives weekly more than 220 million consumer messages. The book provides these editors and broadcasters with the background needed to appreciate the contributions of canned foods to modern living.

Chapters of the ABC book cover the economics of canning, history, contributions to health, methods of canning, container manufacturing, package sizes available, and statistical facts about individual commodities, such as production, utilization, and varieties canned from each crop; the pack and per capita consumption of each canned food item; the major regions, seasons and percent total for each pack. The alphabetically arranged products section gives writers and broadcasters the type of material they can use from day to day in the course of preparing food features, menus, or recipes.

The book was bound in loose-leaf form so that it can be kept up to date and new material added from

(Please turn to page 338)

Film Reports First Results in Cost-of-Handling Studies

The first report of the cost-of-handling studies being conducted as part of the current N.C.A. Consumer and Trade Relations program is being issued in the form of an 18-minute motion picture newsreel, which has so far been shown at the Florida, Iowa-Nebraska, and the Illinois Canners Associations meetings.

In this film W. A. Free, Sr., Chairman of the C.&T.R. Committee, opens with a brief report on current activities of the program and then introduces Don White of Don White, Inc., who presents important findings from the retail study. The film closes with another statement by Mr. Free pointing out to canners effective usage they

(Please turn to page 340)

Pesticide Regulation Deferred for Some Chemicals

The Food and Drug Administration has extended the effective date of the Miller pesticide amendments for a limited list of pesticide chemicals for which no tolerance or exemption has been established.

The effect of the extension is to permit residues of the specified chemicals to appear on certain raw agricultural commodities which are listed by the FDA in its statement of policy. Extensions are granted for some pesticide chemicals to January 1, 1956, and for others to March 1, 1956.

Text of the FDA statement of policy was published in the *Federal Register* of October 29 and is available from the N.C.A. Raw Products Research Bureau.

Citrus Export Subsidy

The U. S. Department of Agriculture has announced an export subsidy program to encourage exports of fresh and processed oranges and grapefruit. The program is similar to those in effect during the last seven years.

Announcements containing full details of the program, including payment rates on the processed products, are being mailed by USDA to exporters and to members of the citrus industry.

Eligible countries again include principal Western European countries other than citrus-producing countries. The period in which processed citrus products may be exported under the program is from November 1 to October 31, 1956.

1954-55 Program

Under the 1954-55 export subsidy program the equivalent of about 4,575,000 boxes of fresh oranges had been exported or declared for export by October 8. This was 12 percent larger than comparable exports in 1953-54. The total includes about 3,100,000 boxes of fresh oranges, 8 percent more than a year earlier.

Also, the equivalent of about 822,000 boxes of fresh grapefruit had been handled by October 8, about 16 percent less than a year earlier. This total includes about 310,000 boxes of fresh grapefruit.

All exports under the 1954-55 program went to Europe.

The Rice Situation

Supplies of rice for the year beginning August 1 were estimated at 77.3 million cwt., in terms of rough rice, and are the largest in history, according to a report by the Agricultural Marketing Service of USDA.

Domestic disappearance of rice for 1955-56 is estimated at 26.4 million cwt., slightly less than the 27.1 million cwt. estimated for 1954-55. If 1955-56 exports amount to as much as 23 million cwt., the carryover on August 1 of next year would total almost 28 million cwt., in terms of rough rice, or a little more than in 1955.

Another large world rice crop is in prospect this year, the report said. At the same time, carryover stocks of poor quality rice, which have plagued the world market in recent years, appear to have been largely disposed of during the past year.

U. S. production of rice this year, estimated at 50.5 million cwt. of rough rice, is the smallest since 1952 but at the same time is the third largest of record. The average price of rice to farmers in mid-September was $4.50 per cwt., below the $4.66 national average support level, and above the $4.04 of a year earlier. Season average prices received by farmers for rice in the United States have equaled or exceeded support price levels in every year since the support programs were started in 1941, except for the crops of 1951, 1952, and 1954.

The national acreage allotment of rice for 1956 is expected to be approximately 1,640,000 acres, compared with a final allotment of 1,927,734 acres for the 1955 crop.

Stocks of Canned Peas

A report on canners' stocks and shipments of canned peas to October 1 has been issued by the N.C.A. Division of Statistics.

	1954	1955
	(actual cases)	
Carryover, June 1	4,242,980	1,873,261
Pack	27,245,133	31,222,312
Total supply	31,488,113	33,095,573
Stocks, Oct. 1	19,860,729	21,940,636
Shipments, June 1-Oct. 1	11,627,384	11,154,937

ABC's of Canned Foods

(Concluded from page 337)

time to time. For example, information about several more products will be sent to editors around February 1. Statistical pages have been printed on paper of another color for easy identification and to permit addition of new statistical pages annually, thus keeping pack information always up to date.

Various N.C.A. members who have heard the book described have indicated an interest in purchasing multiple copies for distribution to their own salesmen or other interested persons in the trade. The Association is able to supply these at the cost figure of $1.00 per copy, providing the complete print order can be given soon. Accordingly, enclosed with the mailing to members was an order blank postcard, which should be filled in and returned to the National Canners Association, Consumer and Trade Relations Program, 551 Fifth Avenue, Suite 1100, New York 17, N. Y., by November 28, if additional copies are desired.

USDA Reports on Marketing Agreements and Orders

The use of marketing agreement and order programs in the marketing of fresh fruits and vegetables continues to increase. The extent of coverage of these programs is reported by the Agricultural Marketing Service of USDA in *The Marketing and Transportation Situation.*

Marketing agreement and order programs have been inaugurated during the last year for Florida avocados, Florida limes, and California dates. Most of the oranges, grapefruit, lemons, figs, raisins, dried prunes, almonds, walnuts, and filberts produced in the United States are subject to marketing agreement and order programs.

Marketing agreements are applicable to potatoes, grapes, peaches, pears, plums, pecans, cauliflower, and peas grown in specified areas. Hearings have been held looking to the possibility of marketing agreement programs for Florida tomatoes and Florida celery.

The USDA report states:

"The Agricultural Marketing Agreement Act of 1937, as amended, was further amended by the 83d Congress to provide broader authority for the handling of marketing problems. One of the most important new provisions of the Act provides authority for marketing agreements and orders to include provisions for fixing the size, capacity, weight, dimensions, or pack of containers used in handling fresh or dried fruits and vegetables. Another amendment permits marketing agreement programs to sponsor marketing research and development projects designed to assist, improve, or promote the marketing, distribution, and consumption of the commodities regulated under the program. Several new marketing agreements and orders have incorporated provisions based on these amendments. Still another amendment to the Act provides that whenever marketing agreement and order programs are in effect regulating the grade, size, quality, or maturity of tomatoes, avocados, limes, grapefruit, green peppers, Irish potatoes, cucumbers, eggplants, or mangoes produced in the United States, any imports of these commodities must meet the same requirements as are applicable to domestic shipments. Imports of potatoes, avocados, and grapefruit have been regulated under this new authority."

Jack Anderson Appointed Special Assistant to Benson

Jack Z. Anderson, former Congressman from California and now president of the California Pear Association, has been appointed special assistant to the Secretary of Agriculture.

"Mr. Anderson will serve as liaison between Congress and the USDA, carrying the Department's viewpoints to Congress and providing the Department with Congressional viewpoints on policy and other developments in Agriculture," it was announced. He will begin his new duties about December 1.

Mr. Anderson is currently farming 175 acres of pears at San Juan Bautista, Calif., with a brother and sister. He became manager of the farm in 1925 upon the death of his father and remained active in fruit farming until his election to Congress in 1938. He retired from office in 1952.

Mr. Anderson was instrumental in the formation of the California Pear Association in 1953 and was instrumental in organization of the Pacific States Canning Pear Bargaining Association in 1955. He will resign from the presidency of both organizations upon assuming his new duties.

He succeeds former Representative Wesley A. D'Ewart, who is now Assistant Secretary of the Interior.

National Pickle Packers Assn.

The National Pickle Packers Association elected the following officers recently at the association's annual convention:

President—Harry Tuttle, M. A. Gedney Co., Minneapolis; vice president—W. E. Dailey, Jr., Dailey Pickle & Canning Co., Saginaw, Mich.; treasurer—Earl G. Van Holten, J. G. Van Holten & Son, Milwaukee (reelected); secretary—W. R. Moore, Oak Park, Ill. (reelected); and managing executive—Col. E. T. Miller, Oak Park, Ill. (reelected).

Florida Canners Assn. Moves

The Florida Canners Association moves its headquarters from Tampa November 7 to a new office building in Winter Haven.

The new address of the Association and its executive secretary, C. C. Rathbun, is P. O. Box 1459, Winter Haven, Fla.

Canco Elects Hepenstal

Roger F. Hepenstal, formerly vice president in charge of manufacturing for American Can Company, has been elected treasurer of the firm. He succeeds Edmund Hoffman, secretary and treasurer for the past seven years and a veteran of 42 years with Canco.

T. J. Marquerite Dies

Theodore J. Marquerite, a diamond pin member of the Old Guard Society and its first vice president, died at his home in Chicago, October 2. He had retired from Franklin MacVeagh Company. He was made president of the firm in 1922.

Food Chain Operators Said To Be Gaining Greater Awareness of Profit Opportunities in Canned Foods

In an article by A. E. Mockler, food trade editor, the New York *Journal of Commerce* has reported increased awareness on the part of food chains of the profit opportunities in canned foods—perhaps as the result of the N.C.A. Consumer and Trade Relations program.

The article reports the attitudes of members of the National Association of Food Chains attending their annual meeting in Chicago. Following is the text of the report, which appeared in the November 1 edition of the *Journal of Commerce* under the heading "Distributors See Wider Canned Food Potentials":

Food chain merchandisers, gathered here (Chicago) for the annual meeting of the National Association of Food Chains, are devoting considerable attention in informal discussions to canned foods volume and profit potentialities as a weapon in their never-ending quest for larger store volume and earnings.

The canned foods industry, actually the pioneer in what is now known as the "convenience foods" field, bestirred itself a few years back and launched a consumer and trade relations program under the aegis of the National Canners Association. This program, only now getting into high gear, has brought to light much factual data on the profit role of canned foods in the over-all store operating picture. In consequence, some of the distributing industry's merchandisers are taking a new look at this pretty-much-taken-for-granted department.

A number of chains have already hopped on the promotional bandwagon. Canned foods sales events are becoming more numerous, in both the multiple unit and independent fields. Indications are that some chains which have not devoted too much management attention or ad space to canned foods in recent years may follow suit.

Among other things developed by the canner promotional operation, an average gross profit margin of 16 percent for canned foods in stores surveyed in a recent research project is proving intriguing to profit-minded distributor management. This return is well above that yielded by some other grocery store products.

Furthermore, research findings indicating that canned foods in some instances account for as much as one-fifth of the retail store's total net profit dollars are influencing merchandisers in taking a new look at the potentialities in this line. In the final analysis, it is the profit dollar, not the percentage markup figure, which bolsters the balance sheets.

Viewed as a merchandising "natural" by distributors, it is a continuing source of wonder to many retailers that the small food canner, who stands to gain the most by tieing in his marketing activities with the over-all canning industry promotion, is still standing on the sidelines in many instances, permitting the larger packers—who actually need the promotional push least—to reap the greatest rewards.

It is expected, however, that the demonstrated sales-building possibilities of the canners' cooperative program will gradually begin to intrigue more of the "rank-and-filers" and that the promotion in the next few years will really become industry-wide—in fact as well as in name.

Promotion

A long-range result of the canners' promotional activity, however, promises to become apparent in revised thinking in distributor management circles in the matter of store space allocation for canned foods, as well as in the earmarking of funds for store promotions.

This indicated shift in thinking, in itself, would fully justify canner promotional expenditures to date. It points a reversal of the trend in recent years in food retailing to deemphasize the role of the canned foods department in the over-all store picture.

With the growing emphasis in food retailing on large-volume, low-handling cost lines, able to hold their own in the profit picture, canners have a good selling story. In the face of aggressive promotion by practically all competing foods, however, they will have to hammer home this sales story without let-up if they are to consolidate and enlarge gains already achieved.

USDA Pork Purchase Program

First offers from processors under the U. S. Department of Agriculture's pork and lard purchase program will be due during the week of November 7.

Offers on the three canned products —canned pork luncheon meat, canned pork and gravy, and canned hams— will be received by USDA on a weekly basis each Tuesday.

Purchase of Sweet Potatoes

The U. S. Department of Agriculture intends to assist growers in marketing their abundant supplies of sweet potatoes. Initial purchases are expected to be made in Louisiana where yields this season are considerably higher than last year and growers are experiencing marketing difficulties. Purchases may be extended later to other producing states if necessary, according to the USDA announcement.

Announcements containing details of the specifications of the purchase offer are being issued by the ASC State Committee Office in Louisiana. Purchases were to begin as quickly as arrangements could be completed.

The sweet potatoes purchased by USDA will be distributed to nonprofit school lunch programs and other eligible outlets. The quantity to be purchased will depend on marketing conditions at the time of purchase, the availability of outlets for the use of the sweet potatoes without waste, and the amount of funds available for such purchases.

Cost-of-Handling Studies

(Concluded from page 337)

can make of these findings to help their sales.

At each showing of the film a printed retail field report embodying the significant facts portrayed in the film is distributed. This is the first of a series of bulletins which will discuss retail cost-of-handling findings, and analyze them in terms of best usage by canners. The principal disclosures highlighted in the film are the following:

(1) Canned foods have the lowest retail handling costs of any product category.

(2) Canned foods' average gross profit margin of 16 percent is better than that of half the grocery products in the store.

(3) Canned foods account for about one-sixth of total store sales in leading food stores. This figure is exceeded only by groceries non-canned and by meats.

(4) Canned foods account for as much as one-fifth of retailers' total net profit dollars, exceeded only by meat and produce. Canned foods are ahead of groceries non-canned, frozen foods, dairy, bakery and non-food items.

The film has been offered for showing at all of the state and regional meetings this fall. Thus far, the following groups have requested it: Wisconsin, Indiana, Pennsylvania, Tri-State Packers, Ohio, and Maine.

The four points stressed in this newsreel film were the basis of a special article by President George B. Morrill, Jr., published in the *Journal of Commerce* of October 28. Mr. Morrill's article expanded on the findings of the cost-of-handling study and described the objectives and the method of obtaining the data.

"Findings of the handling cost study," Mr. Morrill wrote, "can be of great value to both canners and retailers by helping retailers become more aware that handling costs are an important factor in determining net profit and that more detailed information on the subject would undoubtedly reveal new profit opportunities from canned foods."

Canners Elected by QM Assn.

(Concluded from page 337)

are in Washington, D. C., and it has chapters at the various QMC installations in the United States and overseas.

Mr. Heinz, who is vice president of the H. J. Heinz Company, has been active in the affairs of the QM Association for several years—as chairman of the Fruit and Vegetable Committee, vice president, and chairman of the annual convention seminars on foods and food containers. Mr. Shafer was president in 1954 of the Northern California chapter, at the Sixth Army, San Francisco.

Canner Meetings Set Stage

(Concluded from page 337)

can be expected to survive an atomic blast even better than your home."

Mr. Campbell also appeared on a radio-television interview October 31 with Herb Plambeck, farm editor of Des Moines station WHO.

The Information Division press and radio-TV releases on highlights of Mr. Campbell's addresses were sent to 143 Iowa newspapers, 71 Nebraska newspapers, 195 Illinois newspapers, the national and state branches of the wire services, the canning trade journals, and 55 radio-TV news directors in Iowa, 30 in Nebraska, and 107 in Illinois.

TABLE OF CONTENTS

PAGE

Consumer and Trade Relations

ABC's of Canned Foods, major C & TR project, is issued; book furnishes information for food editors and writers 337
Film reports first results in cost-of-handling studies 337

Death

T. J. Marquerite dies 339

Farm Program

Purchase of sweet potatoes 340

Food Regulation

Pesticide regulation deferred for some chemicals 337

Foreign Trade

Citrus export subsidy 338

PAGE

Marketing

Food chain operators said to be gaining greater awareness of profit opportunities in canned foods 339
USDA reports on marketing agreements and orders 338

Meetings

Canner meetings set stage for canned foods publicity 337

Personnel

Canners elected by QM Assn. ... 337
Jack Anderson appointed special assistant to Benson 339
National Pickle Packers Assn. .. 339
Florida Canners Assn. moves 339
Canco elects Hepenstal 339

Procurement

USDA pork purchase program .. 340

Statistics

The rice situation 338
Stocks of canned peas 338